

- **Inflation in BC slows to 0.6% in May**
- **Retail sales dip 0.7% in April**
- **Now showing: BC's film, TV and video production industry revenues jump 8.8% in 2008**

## Prices

- **On average, consumer prices in British Columbia inched 0.6% higher in May compared to the same month last year.** Energy prices jumped 9.3%, accounting for much of the overall increase in the price level. Excluding the impact of energy prices, the Consumer Price Index (CPI) would have fallen 0.1%.

While overall shelter costs rose for a second straight month (+0.7%), it was mainly rent (+1.6%) and utilities (+9.3%) that registered higher prices. The cost of owned accommodation, however, has continued to slide lower (-1.4%) due to cheaper mortgage interest and insurance (-7.9%) costs.

The price of food rose 0.3% with a price hike for restaurant purchases (+1.2%) offsetting a decline in the cost of groceries (-0.2%). On average, receipts from food purchased at stores have fallen in each of the past five months.

Household furnishings (-0.2%), recreation (-2.3%) and clothing (-5.2%) all registered price reductions in May. Meanwhile, prices for alcohol & tobacco (+0.9%), health & personal care (+2.0%) and transportation (+2.7%) crept higher. The increase in transportation was largely driven by a 9.6% jump in the price for gasoline.

Vancouver's year-over-year inflation rate eased in May dropping to 1.1%, down from 1.4% in the previous month. Likewise in Victoria where inflation slowed to just 0.2%

compared to 0.4% a month earlier.

*Data Source: Statistics Canada*

- **At the national level, consumer prices rose 1.4% in May, mainly due to higher prices for energy products (+6.2%) and passenger vehicles (+5.1%).** Ontario (+1.9%), New Brunswick (+1.8%), Nova Scotia (+1.7%) and Newfoundland & Labrador (+1.7%) all posted inflation rates well above the national level. Compared to BC, only Manitoba (+0.5%) registered a smaller average increase in price.

*Data Source: Statistics Canada*

## The Economy

- **Retail sales declined 0.7% to \$4.8 billion (seasonally adjusted) between April and March.** However, compared to April of last year, retail activity was up 8.1%.

Nationally, retail sales fell 2.0% to \$36.2 billion, partly due to a significant (-4.8%) decline at motor vehicle & parts dealers. Every province registered a drop in retail activity with the smallest being posted in BC (-0.7%), while Quebec posted the largest dip in sales (-3.9%).

*Data Source: Statistics Canada*

## Health

- **First Nations (51%), Inuit (49%) and Métis (57%) adults aged 20 years or older who were living off-reserve were less likely to report excellent or very good health levels than non-Aboriginals (59%).** Furthermore, First Nations (51%) and Métis (50%) adults living off-reserve were significantly more likely to have been diagnosed with a chronic condition compared to non-Aboriginals

### Did you know...

In Canada, 57% of internet users spend more time online than watching television. In the US, that share rises to 68% and in Japan it jumps to 77%.

*Data Source: Ipsos Canada*

(46%). Conversely, Inuit adults (39%) were generally less likely to report a diagnosis of a chronic condition.<sup>1</sup>

While it was not the most common chronic illness reported, diabetes is considered among the more serious conditions and was more prevalent among First Nations (9%) and Métis (8%) than among non-Aboriginals (7%). Again, Inuit were far less likely to be diagnosed with diabetes (5%) than others. Complications due to diabetes include blindness, heart disease, stroke and kidney failure.

Other health risk factors, such as obesity and smoking were also examined. Daily smoking rates among First Nations (36%), Métis (33%) and Inuit (60%) were all substantially higher than for non-Aboriginals (18%). Based on the body mass index, obesity rates were also much higher for First Nations (28%), Métis (28%) and Inuit (25%) than they were for non-Aboriginals (17%).

*Data Source: SC Cat no. 82-622-X*

### Work Absenteeism

- In 2009, approximately 9.8 days were lost due to work absences for personal reasons (illness, disability, personal and/or family responsibilities).<sup>2</sup> This was up from an estimated 8.1 days in 1999. Men were generally absent for fewer days (8.6 days) than women (11.4 days). Workdays missed also tended to rise with age, from an average of 6.5 days for youth (aged 15 to 19) to 12.5 for employees aged 55 to 64.

Absenteeism for personal reasons also differed by industry. The most workdays missed were by those employed in health and social assistance (14.1 days), followed by

transportation and warehousing (13.0 days) and public administration (12.5 days). The lowest averages were recorded by employees in primary industries (6.5 days) and professional, scientific and technical services (6.7 days).

At the provincial level, Quebec (11.8 days) and Newfoundland and Labrador (11.5%) lost the greatest number of days due to personal absences. Alberta (7.9 days) and Prince Edward Island (8.6 days) lost the fewest days.

*Data Source: SC Cat no. 75-001-X*

### Film, Television and Video Production

- Canada's film, television and video production industry posted total revenues of just under \$3.3 billion in 2008, down 1.0% from 2007. This decline was mainly felt in Ontario (-13.8%) and Nova Scotia (-12.5%) as revenues in BC jumped 8.8%. Despite the dip in revenues, cost-cutting helped the industry's total profit margin increase from -1.0% to 4.4% between 2007 and 2008. In BC, the third largest contributing province after Ontario and Quebec, the margin rose from 0.8% to 3.9%.

*Data Source: Statistics Canada*

### The Nation

- Household net worth, accounting for more than 95% of total national net worth, rose 1.3% to \$6.0 trillion during the first quarter. This rise was the result of increased asset values for both equities and residential real estate. The household credit market debt-to-income ratio edged higher to 147% from 144.9% in the previous quarter.

Total government debt grew 2.1% due to increased levels of borrowing by all levels of government. At market value, Canada's debt-GDP ratio rose to 44.1%. This ratio has climbed steadily since the fourth quarter of 2008 when it 36.5%.

Overall, Canada's national net worth inched ahead 0.6% during the first quarter.

*Data Source: Statistics Canada*

*Infoline Issue: 10-25  
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<sup>1</sup> Note that the presence of a chronic condition requires that the condition be diagnosed by a health professional. As such, these data reflect the rate of diagnosis of chronic conditions rather than their rate of incidence.

<sup>2</sup> Calculations for the number of days absent from work exclude those by women on maternity leave.

## Testing Conventional Wisdom with Statistics: The Relationships between Employee Engagement, Age and Health

Recognizing the link between engaging employees in their work and the outcomes of their organizations, many private and public sector organizations are dedicated to improving aspects in the work environment that make the most difference to the perceptions held by employees toward their job and their organization.

**Engagement is defined as employees' commitment to their organization as well as their overall satisfaction with their job and organization.**

While the personal characteristics or circumstances that employees carry to their day-to-day work environments may also play a role in engagement, they are largely excluded from managements' work environment improvement efforts.

One obvious reason behind this omission is that these elements lie outside of the realm of the work environment and therefore beyond the sphere of management influence. Moreover, data collected on the BC Public Service reveals the greatest variation in engagement is at the work unit level<sup>1</sup>. From this standpoint, this means employees have more in common with the person working next them than someone who is the same age or at the same stage of life. Another reason for the exclusion relates to the risks of perpetuating stereotypes that may do more harm than good.

These reasons; however, prevent us from developing a more holistic picture of engagement. In the absence of information, it is human nature to draw conclusions from conventional wisdom or rely on word of mouth, which may or may not

be the best reflection of reality. Thus the objective of the current analysis is to explore some of the conventional wisdom associated with personal characteristics thought to have some sort of connection with engagement, specifically employee age and health. In doing so, we hope to develop a clearer understanding of how these characteristics interact with engagement.

This study explores data from a random sample of 2,004 British Columbians collected in 2008 covering a broad cross-section of the employed labour force aged 18 years and over. Respondents were asked questions about their work environment experiences as well as their overall engagement levels (i.e., job and organization satisfaction as well as commitment). The survey also collected a rich array of socioeconomic information to enhance our understanding of how employee engagement may transact with factors external to the work environment. This summary focuses specifically on what we discovered when we explored their engagement data with two characteristics—age and health<sup>2</sup>.

### The oldest employees are the most engaged.

Past studies have found that engagement levels tend to decline with advancing age until employees reach the oldest age group, at which point they start to rise<sup>3</sup>. Results from the B.C. survey lend partial support to these previous findings. Respondents who are 65 years of age or older stand out as significantly more engaged

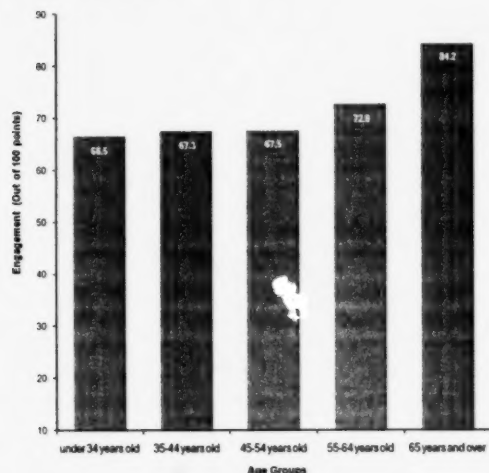
<sup>1</sup> The percentile table is available online at: [http://www.bcstats.gov.bc.ca/data/ssa/reports/WES/2009/analYTICS09\\_11.pdf](http://www.bcstats.gov.bc.ca/data/ssa/reports/WES/2009/analYTICS09_11.pdf).

<sup>2</sup> The full report is available online at: [http://www.bcstats.gov.bc.ca/data/ssa/reports/WES/2008/analYTICS08\\_4.pdf](http://www.bcstats.gov.bc.ca/data/ssa/reports/WES/2008/analYTICS08_4.pdf).

<sup>3</sup> Robinson, D., Perryman, S., & Hayday, S. (2004). *The Drivers of Employee Engagement*, IES Report 408. Viewed 18 May 2008, < <http://www.employment-studies.co.uk/summary/summary.php?id=408> >

than their younger counterparts<sup>4</sup>. However, rather than seeing declining engagement until the oldest age group, the results show engagement scores holding steady until the 55-64 age category, when they begin to climb (Figure 1).

**Figure 1: Engagement is more or less the same across age groups until employees reach 55 years of age.**

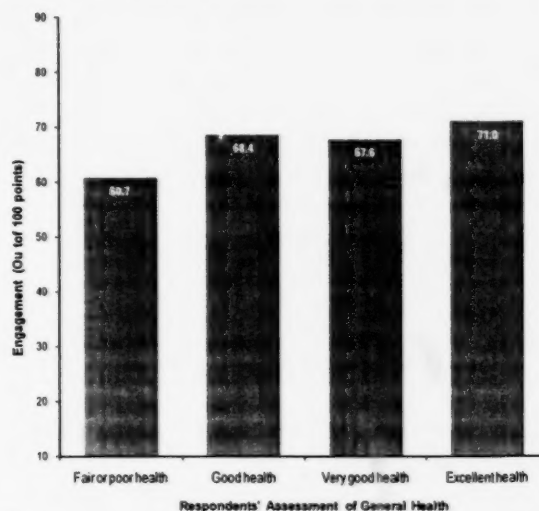


**Those in good to excellent health are more engaged than those in fair or poor health.**

Unlike age, health is a variable that may have a two-way relationship with engagement. That is, it is well-accepted that good health may positively influence engagement. However, it is also possible that low levels of engagement may lead to stress and, ultimately, poor health. In other words, health may be both a predictor and an outcome of engagement. Figure 2 shows that there is, indeed, a relationship between health and engagement. Those who described their health as "good", "very good" or "excellent" had significantly higher av-

erage engagement scores than those who described their health as "fair" or "poor"<sup>5</sup>.

**Figure 2: Those in good to excellent health are more engaged than those in fair or poor health.**



Given the positive relationship between health and engagement<sup>4</sup> one might be surprised that older workers are more engaged than their younger counterparts. Interestingly, employed British Columbians over 65 years of age are the least likely of all, except for the under 34 age group, to describe their health as "fair" or "poor" (6%), and a quarter of them describe their health as "excellent" (Table 1). This suggests that those employees who remain in the workforce beyond the age of 65 years are generally in good health and that they are more likely than those in other age groups to leave employment if their health falters than to persist in their jobs.

<sup>4</sup> An analysis of variance showed that the effect of age on average engagement scores was significant,  $F(4,1906) = 6.053$ ,  $p < .001$ . Post hoc analyses using the Scheffé criterion for significance indicated that the average engagement score for those 65 years and older was significantly higher than for all other age groups, except 55-64 years ( $p < .05$ ).

<sup>5</sup> An analysis of variance showed that the effect of health on average engagement scores was significant,  $F(3,1967) = 6.037$ ,  $p < .001$ . Post hoc analyses using the Scheffé criterion for significance indicated that the average engagement score for those in "fair" or "poor" health was significantly lower than for all other health categories ( $p < .05$ ).

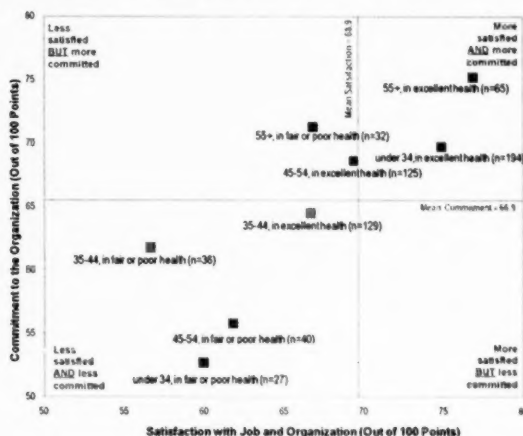
**Table 1: Older members of the employed labour force are generally in good health.**

| Age groups          | Percentage distribution of responses |      |           |           | Total |
|---------------------|--------------------------------------|------|-----------|-----------|-------|
|                     | Fair or poor                         | Good | Very good | Excellent |       |
| Under 34 yrs        | 4%                                   | 21%  | 45%       | 30%       | 100%  |
| 35-44 yrs           | 8%                                   | 25%  | 39%       | 28%       | 100%  |
| 45-54 yrs           | 8%                                   | 29%  | 37%       | 26%       | 100%  |
| 55-64 yrs           | 11%                                  | 30%  | 39%       | 20%       | 100%  |
| 65 yrs and Over     | 6%                                   | 34%  | 34%       | 25%       | 100%  |
| All Age Groups      | 7%                                   | 26%  | 40%       | 27%       | 100%  |
| Number of responses | 135                                  | 486  | 767       | 513       | 1,900 |

Figure 3 compares mean scores along the commitment and satisfaction dimensions of engagement for workers in "fair" or "poor" health and workers in "excellent" health, by age group. It shows the very high commitment and satisfaction levels of British Columbia's oldest workers who are in "excellent" health. It also shows that those who are 55 years and over and who continue to work in spite of "fair" or "poor" health, do so because they are highly committed to their organizations, rather than because they are particularly satisfied with their organization or job.

While excellent health appears to make a difference for most respondents, it is not enough to move those between the ages of 35 and 44 years above the average on either the commitment or satisfaction dimension. It is clear, however, that lower mean scores on both dimensions of engagement are related to being in "fair" or "poor" health, particularly for the youngest workers in B.C.'s employed labour force<sup>6</sup>.

**Figure 3: In every age group, healthier workers are more engaged than their counterparts who are in fair or poor health.**



Exploration of the relationship between engagement and demographic variables has, in some cases, confirmed findings from other studies. In other cases it has challenged our assumptions about engagement. It would be interesting to know how much of the steady rise in engagement with age is related to increasing identification with organizational outcomes and how much stems from, for example, an increase in commitment to the organization due to increasing employee investment in organization benefits (e.g., pensions) over time or increasing attrition bias of those who are less engaged.

In this study, what is most clear is healthy older members of the workforce are a highly engaged cohort. These individuals should not be overlooked as a potential pool of labour helping to mitigate predictions of looming labour shortages in the BC economy. What is not clear yet is why younger workers are less engaged. Analysis of respondent data collected using this survey will dig into these results in the near future.

<sup>6</sup> Independent samples t-tests confirmed that organization commitment is significantly lower in the under 34 age group for those in "fair" or "poor" health, compared to those in "excellent" health ( $t(219)=2.463, p<.05$ ). Job and organization satisfaction were also significantly lower for those in the under 34 age group in "fair" or "poor" health compared to those in "excellent" health ( $t(219)=2.769, p<.05$ ).



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## BC at a glance . . .

| POPULATION (thousands)                                                                                  |                          |                          |
|---------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                                                         | Jan1/2010                | % change on one year ago |
| BC                                                                                                      | 4,494.2                  | 1.6                      |
| Canada                                                                                                  | 33,930.8                 | 1.2                      |
| GDP and INCOME (Revised Nov 9)                                                                          |                          |                          |
| (BC - at market prices)                                                                                 | 2008                     | % change on one year ago |
| Gross Domestic Product (GDP) (\$ millions)                                                              | 197,931                  | 3.3                      |
| GDP (\$ 2002 millions)                                                                                  | 164,520                  | 0.0                      |
| GDP (\$ 2002 per Capita) (reflects revised pop)                                                         | 37,529                   | -1.7                     |
| Personal Disposable Income (\$ 2002 per Capita)                                                         | 25,931                   | 3.2                      |
| TRADE (\$ millions, seasonally adjusted)                                                                |                          |                          |
|                                                                                                         |                          | % change on prev. month  |
| Manufacturing Shipments - Apr 2010                                                                      | 2,928                    | -2.5                     |
| Merchandise Exports - Apr 2010                                                                          | 2,328                    | 2.1                      |
| Retail Sales - Apr 2010                                                                                 | 4,841                    | -0.7                     |
| CONSUMER PRICE INDEX                                                                                    |                          |                          |
| (all items - May 2010)                                                                                  | % change on one year ago | 12-month avg % change    |
| BC                                                                                                      | 0.6                      | -0.1                     |
| Vancouver                                                                                               | 1.1                      | 0.2                      |
| Victoria                                                                                                | 0.2                      | -0.1                     |
| Canada                                                                                                  | 1.4                      | 0.6                      |
| LABOUR FORCE (thousands)                                                                                |                          |                          |
| (seasonally adjusted)                                                                                   | May 2010                 | % change on prev. month  |
| Labour Force - BC                                                                                       | 2,479                    | -0.2                     |
| Employed - BC                                                                                           | 2,293                    | -0.4                     |
| Unemployed - BC                                                                                         | 187                      | 3.3                      |
|                                                                                                         |                          | Apr 2010                 |
| Unemployment Rate - BC (percent)                                                                        | 7.5                      | 7.3                      |
| Unemployment Rate - Canada (percent)                                                                    | 8.1                      | 8.1                      |
| INTEREST RATES (percent)                                                                                |                          |                          |
|                                                                                                         | Jun 23/2010              | Jun 24/2009              |
| Prime Business Rate                                                                                     | 2.50                     | 2.25                     |
| Conventional Mortgages - 1 year                                                                         | 3.70                     | 3.75                     |
| - 5 year                                                                                                | 5.99                     | 5.85                     |
| US-CANADA EXCHANGE RATE                                                                                 |                          |                          |
|                                                                                                         | Jun 23/2010              | Jun 24/2009              |
| (avg. noon spot rate) Cdn \$ per US \$                                                                  | 1.0434                   | 1.1461                   |
| (closing rate) US \$ per Cdn \$                                                                         | 0.9630                   | 0.8677                   |
| AVERAGE WEEKLY WAGE RATE                                                                                |                          |                          |
| (industrial aggregate - dollars)                                                                        | May 2010                 | % change on one year ago |
| BC                                                                                                      | 828.89                   | 4.9                      |
| Canada                                                                                                  | 815.69                   | 2.5                      |
| SOURCES:                                                                                                |                          |                          |
| Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada          |                          |                          |
| Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics                              |                          |                          |
| For latest Weekly Financial Statistics see <a href="http://www.bankofcanada.ca">www.bankofcanada.ca</a> |                          |                          |

### Room Revenue Statistics

Room revenue estimates - the only statistic providing detailed geographical breakdowns related to the tourism sector in BC - have been updated and are now available for download. Aggregate data include monthly, quarterly and annual estimates for room revenue, property and room counts across the province's development regions, regional districts and urban centres.

[www.bcstats.gov.bc.ca/data/bus\\_stat/busind/tourism.asp#TRR](http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp#TRR)

### BC Labour Market Outlook 2009-2019

A new report featuring labour supply and demand forecasts, by occupation and region, is now available. Based on the BC Labour Market Scenario Model (undertaken by the Ministry of Advanced Education and Labour Market Development in partnership with BC Stats and the Ministry of Finance), this report provides projections of future job openings and potential labour market imbalances.

[http://workbc.ca/labour\\_market\\_statistics/labour\\_market\\_projections.htm](http://workbc.ca/labour_market_statistics/labour_market_projections.htm)

### Labour Market Information Gateway

A new gateway with links to labour market information is now available. The labour market information gateway features access to a variety of data sources, articles, and reports containing labour market information for British Columbia in one convenient location.

[www.bcstats.gov.bc.ca/data/lss/lmi\\_gate.asp](http://www.bcstats.gov.bc.ca/data/lss/lmi_gate.asp)

### Quarterly Indicators for BC Economy

A new table with data for key quarterly indicators for the BC economy is now available. The table offers a quick look at the quarterly change in selected economic and demographic variables that provide an indication of the strength or weakness of the BC economy.

[www.bcstats.gov.bc.ca/data/bus\\_stat/busind/qinds.asp](http://www.bcstats.gov.bc.ca/data/bus_stat/busind/qinds.asp)

### Released this week by BC Stats

- Consumer Price Index, May 2010

### Next week

- Population Highlights, First Quarter 2010
- Business Indicators, June 2010
- Tourism Sector Monitor, June 2010